AMENDED IN SENATE JUNE 12, 2012 AMENDED IN ASSEMBLY APRIL 16, 2012 AMENDED IN ASSEMBLY APRIL 9, 2012 AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2208

Introduced by Assembly Member Perea

February 23, 2012

An act to amend Section 116760.90 of the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2208, as amended, Perea. Drinking water.

Existing law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health. Existing law, the Safe Drinking Water State Revolving Fund Law of 1997, establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law prohibits the department from approving applications for this funding unless the department determines the proposed study or project meets specified criteria.

This bill would-state the intent of the Legislature to require the department to consider regional solutions when awarding grant money to provide clean water to underserved communities. This bill would

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authorize the department, with the consent of the applicants, to combine proposed studies and projects from multiple applicants to enable these applicants to meet safe drinking water standards in a cost-effective manner. This bill would require the department to give priority to those proposed studies or projects that consolidate services, especially in unincorporated communities, as specified.

Vote: majority. Appropriation: no. Fiscal committee: <u>yes-no</u>. State-mandated local program: no.

The people of the State of California do enact as follows:

- SECTION 1. (a) It is the intent of the Legislature to require the State Department of Public Health to consider regional solutions when awarding grant money to provide clean water to underserved communities.
- (b) Requiring the department to consider regional solutions should prevent situations like the one currently faced by the small central—valley—communities—of—Lanare—and—Riverdale. The communities of Lanare and Riverdale, whose arsenic-contaminated water systems are only three miles apart from each other, have both received public funds to give them access to clean water, yet the option of a joint solution has not been thoroughly considered. Instead, an unaffordable water treatment plant was built in Lanare and drove the community into debt before the plant shut down, while a new water treatment plant is currently being proposed for Riverdale.
- (c) For the sake of these small communities, and other communities like them, the State of California must improve its governmental practices and develop affordable solutions to water contamination by considering solutions that help as many people as possible, including the consolidation of water systems between communities in close proximity that suffer from similar problems. SEC. 2.
- *SECTION 1*. Section 116760.90 of the Health and Safety Code is amended to read:
- 116760.90. (a) The department shall not approve an application for funding unless the department determines that the proposed study or project is necessary to enable the applicant to meet safe drinking water standards, and is consistent with an adopted countywide plan, if any. The department may refuse to fund a

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study or project if it determines that the purposes of this chapter may more economically and efficiently be met by means other than the proposed study or project. The department shall not approve an application for funding a project with a primary purpose to supply or attract future growth. The department may limit funding to costs necessary to enable suppliers to meet primary drinking water standards, as defined in Chapter 4 (commencing with Section 116270).

- (b) With respect to applications for funding of project design and construction, the department shall also determine all of the following:
- (1) Upon completion of the project, the applicant will be able to supply water that meets safe drinking water standards.
 - (2) The project is cost-effective cost effective.

- (3) If the entire project is not to be funded under this chapter, the department shall specify which costs are eligible for funding.
- (c) (1)—The department, when evaluating applications for funding for proposed studies and projects, may, with the consent of the applicants, combine proposed studies and projects from multiple applicants to enable these applicants to meet safe drinking water standards in a cost-effective manner.
- (2) The department shall give priority to those proposed studies or projects that consolidate services, especially in unincorporated communities, pursuant to an adopted countywide plan or a recommendation contained in a service review, pursuant to Section 56430 of the Government Code, made by a local agency formation commission within the previous five calendar years.
- (d) In considering an application for funding a project that meets all other requirements of this chapter and regulations, the department shall not be prejudiced by the applicant initiating the project prior to the department approving the application for funding. Preliminary project costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred by the applicant prior to the department approving the application for funding. Construction costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred after the approval of the application by the

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- department but prior to the department entering into a contract with the applicant pursuant to Section 116761.50.